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Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

Orestes Vasquez
Agricultural Attaché

Prepared By:

Ponnarong Prasertsri
Agricultural Specialist

Report Highlights:

TH1116 Domestic and export prices for white and parboiled rice declined 2-3 percent due to an increase in domestic supplies as farmers in the central plain are aggressively harvesting their off-season crop to avoid flood damage. Also, some millers in the lower north and central plain have released portion of their paddy stocks. In addition, shipments of parboiled rice to African countries have slowed down as most outstanding contracts have been fulfilled. Meanwhile, on Tuesday, September 13, 2011, the Thai National Rice Policy Committee submitted its Paddy Pledging Program for Cabinet approval.

Post:
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Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 12, 2011									
Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR	PRV
FWR 100 B	1,115	-	1,070	-	1,070	1,070	-	1,081	1,069
WR 100 B	620	-	620	-	620	590	600	610	624
FB 100%	630	-	630	-	630	610	620	624	641
FB 5%	625	-	625	-	625	605	615	619	636
WR 5%	605	-	610	-	610	570	590	597	611
WR 10%	600	-	-	-	605	565	-	590	605
WR 15%	580	-	-	-	580	560	-	573	585
WR 25%	560	-	-	-	560	545	-	555	565
WR 35%	-	-	-	-	-	-	-	-	-
A1 SLP	485	-	-	-	500	500	-	495	487
A1 SPEC	-	-	-	-	-	-	-	-	-
Exchange rate: 29.80 baht/US \$									
Source: Average actual prices received from exporters									

Domestic and export prices for white and parboiled rice declined 2-3 percent from the previous week due to an increase in domestic supplies of white rice paddy. Farmers in the central plain are aggressively harvesting their off-season crop along the Chaopraya River basin to avoid flood damage as floodwater from the northern region is rapidly engulfing the basin. Major dams in the North are presently at 80- 95 percent of their full capacity, as compared to around 40-70 percent in the previous year. Also, some millers in the lower north and central plain have released portion of their paddy stocks to avoid possible damage from the floodwaters. In addition, shipments of parboiled rice to African countries slowed down as most outstanding contracts have been fulfilled. New enquiries for parboiled rice are quiet as foreign buyers are paying attention to Indian parboiled rice developments after the Indian government removed its non-basmati export ban last week.

Meanwhile, on Tuesday September 13, 2011, the Thai National Rice Policy Committee finalized its Paddy Pledging Program for Cabinet approval. The program will begin on October 7, 2011 – February 29, 2012 at intervention prices of 13,800 - 15,000 baht/ton (\$460-500/MT) for white rice paddy, 20,000 baht/tons (\$666/MT) for fragrant rice paddy, 18,000 baht/ton (\$600/MT) for Provincial fragrant rice paddy, 16,000 baht/ton (\$533/MT) for Pathumthani fragrant rice paddy, and 16,000 – 18,000 baht/ton (\$533 – 600/MT) for glutinous rice paddy, no limit restrictions were imposed on the amount that can be pledged. The Government expects that the program will need a budget of 400 billion baht (\$13.3

billion) based on MY2011/12 main-crop production of 25.0 million tons of paddy. During the first phase of the program (October 7 – mid December 2011), the Bank for Agriculture and Agricultural Cooperative (BAAC) will provide a credit line of 100 billion baht (\$3.3 billion) for this program which should be able to buy 6-7 million tons of paddy. If short on funds, the balance would be covered by loans from government banks.

The government's weekly benchmark price for white rice for September 12-18, 2011 increased 4.2 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will be able to arbitrage as market prices are above the benchmark prices.

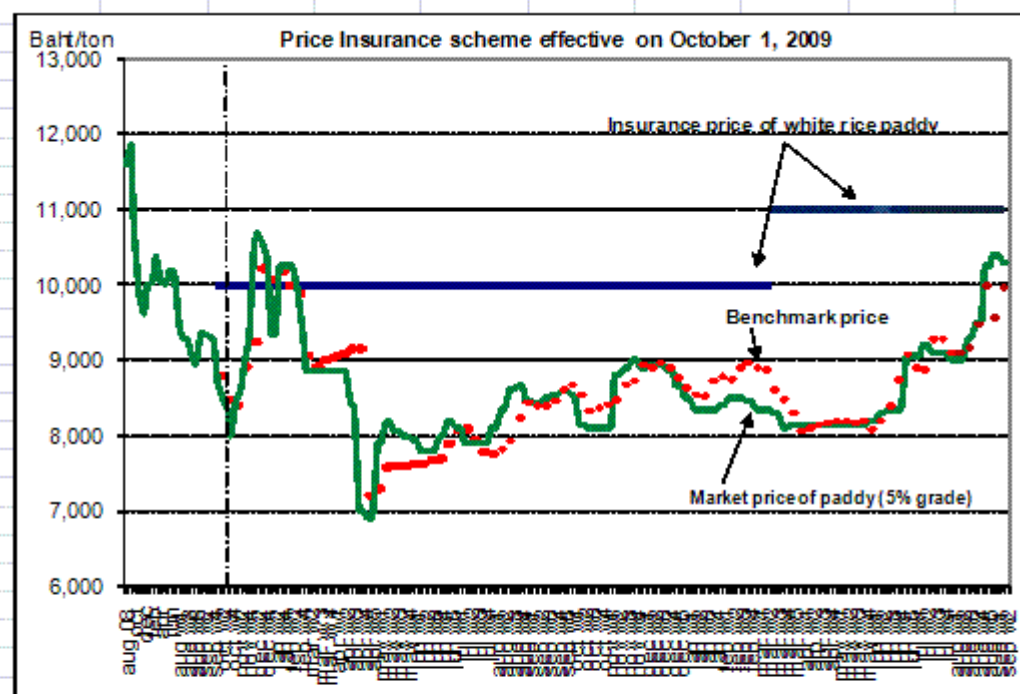
Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hom Mali)	Provincial fragrant rice	Padthum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^a	30 ^a	30 ^a
2. Insured prices (Baht/ton) ^b	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^{b/c}					
Aug 15-21	-	-	10,690	14,614	9,173
Aug 22-28	-	-	11,009	14,794	9,465
Aug 29-Sept 4	-	-	11,547	14,918	9,983
Sept 5-11	-	-	11,537	14,633	9,564
Sept 12-18	-	-	11,883	14,530	9,966
4. Compensation (1-2), (Baht/ton)					
Aug 15-21	-	-	810	-	1,827
Aug 22-28	-	-	491	-	1,535
Aug 29-Sept 4	-	-	-	-	1,017
Sept 5-11	-	-	-	-	1,436
Sept 12-18	-	-	-	-	1,034
5. Market prices (Baht/ton)					
Aug 15-21	14,450	14,100	10,150	16,250	9,300
Aug 22-28	14,450	14,100	10,150	15,750	9,500
Aug 29-Sept 4	14,450	14,000	11,000	15,250	10,250
Sept 5-11	14,450	14,250	12,000	15,250	10,400
Sept 12-18 ^d	14,450	14,250	12,000	15,250	10,300

Note:

^a Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop^b Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.^c Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.^d The insured prices of MY 2009/10 second-crop Padthum Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Padthum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.^e The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.^f As of Sept 12, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

* Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

* Starting Apr. 28, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) September 5-11, 2011 totaled 144,757 tons, down 3,375 tons from the previous week, and down 4,266 tons from the four week moving average of 149,023 tons. Exports of white rice and parboiled rice during January 1 – September 11, 2011 totaled 6,795,928 tons, up 67.9 percent from 4,047,206 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – September 5, 2011 amounted to 8,888,518 tons, up 54.7 percent from 5,387,605 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)					
WEEK ENDING	QUANTITY	4-WK.AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Jun 26	234,849	229,912	5,059	2,854	77.3
Jul 3	185,298	215,570	5,244	2,941	78.3
Jul 10	193,263	204,909	5,438	3,044	78.6
Jul 17	165,055	194,616	5,603	3,184	76.0
Jul 24	176,480	180,024	5,779	3,305	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
Aug 7	131,189	159,732	6,076	3,501	73.6
Aug 14	123,362	149,309	6,200	3,581	73.1
Aug 21	146,492	141,812	6,346	3,660	73.4
Aug 28	156,711	139,439	6,503	3,799	71.2
Sept 4	148,132	143,675	6,651	3,911	70.1
Sept 11	144,757	149,023	6,796	4,047	67.9
<i>Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/REK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.</i>					
Source: Board of Trade of Thailand					

Table 4: Weekly private registered rice export sales			
Movement (MT)	Aug. 22-26	Aug. 29-Sep 2 (Revised)	Sep 5-9 (Preliminary)
Weekly sales	255,012	148,715	25,056
4 week sum	813,237	788,727	701,474
4 week mov. avg.	203,309	197,182	175,369
Year-to-date sales	7,331,271	7,479,986	7,505,042

End of report.

